

## Message Text

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TO USMISSION USUN NEW YORK PRIORITY

UNCLAS STATE 112604

FOR HIRSCH

FOLLOWING REPEAT TLE AVIV 3449 ACTION SECSTATE INFO AMMAN CAIRO  
DAMASCUS JERUSALEM DATED MAY 16:

QTE: UNCLAS TELE AVIV 3449

E.O. 11652: N/A  
TAGS: PFOR, MASS, IS, US  
SUBJECT: PERES DISCUSSES ARMS TRANSFERS AND U.S./ISRAELI RELATIONS

BEGIN SUMMARY: IN A SIGNIFICANT INTERVIEW BROADCAST  
BY RADIO ISRAEL ON SATURDAY, MAY 14, ACTING PRIME  
MINISTER PERES EXPRESSED HIS SATISFACTION WITH THE  
PRESIDENT'S STATEMENTS REGARDING ARMS TRANSFERS TO  
ISRAEL. HE ALSO MADE PUBLIC REFERENCE FOR THE FIRST  
TIME TO ISRAEL'S "CHARIOT" TANK PROGRAM AND REFERRED  
TO THE NECESSITY FOR ISRAEL'S INDEPENDENT MILITARY  
PRODUCTION CAPABILITY. HE SUMMED UP HIS  
IMPRESSION OF THE CURRENT STATE OF U.S. POLICY IN  
THE MIDDLE EAST AFTER STATEMENTS BY THE SECRETARY  
AND THE PRESIDENT EMPHASIZING (A) THE IMPORTANCE  
OF THE U.S. ACTING AS AN HONEST BROKER; (B) A  
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"HOMELAND" FOR THE PALESTINIANS CANNOT RESULT IN AN  
INDEPENDENT THIRD STATE ON THE WEST BANK; (C) ARAB  
LEADERS ARE HAZY REGARDING THEIR DEFINITION OF  
PEACE; (D) THERE CAN BE NO RETURN TO THE 1967  
BORDERS; AND (E) ISRAEL WILL CONTINUE TO INSIST  
ON DEFENSIBLE BORDERS. END SUMMARY

1. THE FOLLOWING IS THE TEXT OF THE QUESTIONS  
AND ANSWERS IN THE INTERVIEW: BEGIN TEXT:

Q -- MR. PERES, HOW DO YOU RELATE TO PRESIDENT CARTER'S DECLARATION REGARDING THE STATUS TO BE ACCORDED ISRAEL IN THE MATTER OF THE SALE OF ARMS?

A -- WHAT THIS AMOUNTS TO, CLEARLY, IS A CONFIRMATION OF THE PREVIOUS AGREEMENTS. IT IS AN EXPLICIT REFERENCE TO ISRAEL WHICH DID NOT EXIST PREVIOUSLY IN DECLARATIONS CONCERNING THE CLASSIFICATION OF STATES, AND AS I READ THE PRESIDENT'S LETTER I FIND A NUMBER OF EXPRESSIONS TO WHICH I THINK CONSIDERABLE IMPORTANCE ATTACHES. HE REFERS BOTH TO THE MATTER OF ARMS AND TO THE MATTER OF JOINT PRODUCTION. I HAVE ALSO READ WHAT HE SAID TO THE SENATE. HE MAKES MENTION - EVEN, IT WOULD SEEM, SPECIAL MENTION - OF THE PRODUCTION OF THE MERKAVA - OUR TANK. HE SPEAKS OF SPECIAL SECURITY RELATIONS WITH ISRAEL. AND WHEN HE GETS DOWN TO SPECIFICS HE SAYS THAT THESE HISTORICAL RELATIONS AND THE CONTINUOUS UNDERSTANDING DERIVING BOTH FROM THE PAST AND THE PRESENT SITUATION, AND NOTWITHSTANDING THE EFFORTS TO LIMIT THE ARMS RACE, ISRAEL WILL NOT BE ADVERSELY AFFECTED AS CONCERNs -- AND THIS IS THE INTERESTING POINT -- HER DETERRENT ABILITY AS WELL AS THE ARMS BALANCE IN THE MIDDLE EAST. THIS IS MOST DEFINITELY A STRONG AND PRESIDENTIAL DECLARATION, AND I RECEIVE IT WITH SATISFACTION. IN THIS LETTER TO SENATOR HUMPHREY AND SENATOR CASE HE ALSO ADDS ANOTHER ELEMENT WHICH IS IMPORTANT: HE SAYS THAT THE UNITED UNCLASSIFIED

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STATES MUST BE AN "HONEST BROKER", BECAUSE AS YOU KNOW, QUESTIONS AROSE AS TO WHETHER THE UNITED STATES WOULD PUT FORWARD PROPOSALS OF ITS OWN, OR CONTINUE AS A MEDIATOR. NOW, WE HAVE ALWAYS ACCEPTED MEDIATION GLADLY. BUT AS FOR PROPOSALS, WE HAVE ALSO SAID THAT THIS WILL LEAD TO A CONFRONTATION, TO A DEBATE. THEREFORE WE CERTAINLY PREFER THE UNITED STATES TO MEDIATE RATHER THAN TO SUBMIT PROPOSALS OF ITS OWN.

2. Q -- DO YOU NOT RELATE TO THESE STATEMENTS AS SOMETHING IN THE NATURE OF A TRANQUILIZER? FOR WHO KNOWS, PERHAPS IN A FEW WEEKS' TIME IT WILL DEVELOP THAT THE ADMINISTRATION IS USING WEAPONS AS A MEANS OF EXERTING PRESSURE HERE IN THE MIDDLE EAST ALL THE SAME?

A -- I WILL RELATE TO EACH SITUATION AS IT ARISES. I CANNOT RELATE TO SPECULATION ABOUT SITUATIONS. I RELATE WITH DUE GRAVITY TO EVERY DEVELOPMENT IN THE UNITED STATES. BY NO MEANS DO I MAKE LIGHT OF IT. NOR DO I INTEND TO RESORT TO ANY TRICKS. BUT HERE WE HAVE A WRITTEN FORMULATION BY THE PRESIDENT. IF ANY CHANGES COME ABOUT IN IT WE WILL REACT DIFFERENTLY.

3. Q -- WHAT IS THE SIGNIFICANCE OF THIS DECLARATION

FROM THE STANDPOINT OF OUR DEFENSE INDUSTRIES HERE  
IN ISRAEL?

A -- AS YOU KNOW, WE HAVE ALWAYS COUNTED ON THE CREATION  
OF AN INDEPENDENT PRODUCTION SYSTEM. WE ARE A COUNTRY  
WHICH IS RELATIVELY SMALL, YET WHICH ALL THE SAME MANU  
FACTURES BOTH A PLANE OF ITS OWN, A TANK OF ITS OWN, AN  
ARTILLERY PIECE OF ITS OWN AND A MISSILE OF ITS OWN. AND  
NATURALLY, IN THIS MANUFACTURE WE REQUIRE ENGINES. FOR  
EXAMPLE, ENGINES FOR PLANES AND FOR TANKS, AND ALL THESE  
THINGS ARE BY NO MEANS A SECRET. THE PRESIDENT TOO HAS  
SPOKEN ABOUT THEM OPENLY, AND I SEE IN HIS PROMISE A  
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CONSIDERABLE ALLEVIATION OF THE SITUATION AND A CONTINUATION  
OF THE RELATIONSHIP WE ARE INTERESTED IN IN THE  
AREA OF DEFENSE. THIS DOES NOT MEAN THAT DIFFERENCES  
CANNOT ARISE, AND OF COURSE WE WILL UPHOLD OUR BASIC  
POSITIONS - THOSE WE HAVE FOUGHT FOR AND STRUGGLED OVER  
-- WITH ALL OUR STRENGTH, AND WILL CONTINUE TO DO SO IN  
THE FUTURE.

4. Q -- YOU HAVE REFERRED TO ONE WEAPON -- THE MERKAVA.  
I WOULD LIKE YOU TO REFER TO ANOTHER -- THE F-16 AND THE  
POSSIBILITIES FO ITS MANUFACTURE HERE.

A -- IN THIS CONNECTION WE ARE ALSO WAITING FOR AN EXPLICIT  
ANNOUNCEMENT. I AM NOT WILLING TO ENGAGE IN GUESSING  
GAMES. IT IS OBVIOUS THAT ISRAEL HAS THE CAPACITY TO  
PRODUCE IMPORTANT ELEMENTS OF THE F-16, AND THIS SUBJECT IS  
NOW UNDER EXAMINATION. ALL DAY YESTERDAY WE  
WERE IN CONTACT WITH THE ADMINISTRATION, AND IN THIS  
MATTER TOO I AM WAITING FOR AN UNEQUIVOCAL CLARIFICATION.

5. Q -- DOES THIS STATEMENT BY PRESIDENT CARTER DO AWAY  
UNEQUIVOCALLY WITH THE RUMORS TO THE EFFECT THAT THE  
UNITED STATES INTENDS TO STOP SUPPLYING THE ISRAEL AIR-  
CRAFT INDUSTRIES WITH REPLACEMENT PARTS OR RAW  
MATERIALS?

A -- THIS DECLARATION SPEAKS FOR ITSELF. I DO NOT THINK  
THAT I NEED BE ITS INTERPRETER. I HAVE DRAWN UP A PRELIMINARY  
SUMMARY OF ALL THE PRESIDENTIAL STATEMENTS BY  
THE SECRETARY OF STATE, AND I WOULD SUM UP MY IMPRESSIONS  
IN THESE AREAS AS FOLLOWS: THE PRESIDENT'S STATEMENTS  
IN THE MATTER OF THE SPECIAL RELATIONSHIP ARE TO  
BE RECEIVED WITH SATISFACTION. THE MATTER OF JOINT  
PRODUCTION IS TO BE RECEIVED WITH SATISFACTION, WHAT HE  
HAS SAID IN THE MATTER OF DETERRENT CAPACITY IS TO BE  
RECEIVED WITH SATISFACTION, WHAT HE HAS SAID REGARDING  
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THE NEED TO EQUALIZE THE AREM SITUATION IN THE MIDDLE EAST IS TO BE RECEIVED WITH SATISFACTION -- WITH US IT IS NOT A QUANTITATIVE BUT RATHER A QUALITATIVE PROBLEM, AND HERE EXPLICIT THINGS HAVE BEEN SAID. THE PHRASE "HONEST BROKER" IS ALSO TO BE RECEIVED WITH SATISFACTION. ON THE OTHER HAND, WHAT STANDS IN NEED OF CLARIFICATION, IN MY OPINION -- AND EVEN BETWEEN FRINEDS CLEAR THINGS MUST BE SAID --RESPECTFUL BUT VERY CLEAR --IS THE MATTER OF THE "HOMELAND", WHICH YESTERDAY INCIDENTALLY WAS FORMULATED IN A WAY WHICH WAS SLIGHTLY DIFFERENT, MORE INTIMATE, BUT IN ANY CASE IT MAKES LITTLE DIFFERENCE -- THE HOMELAND OF THE PALESTINIANS, THE HOME OF THE PALESTINIANS, MUST BE IN A JORDANIAN CONTEXT. THERE IS NO PROSPECT OF ISRAEL, IN ANY WAY OR IN ANY SITUATION, AGREEING TO THE CREATION OF A PALESTINIAN STATE RIGHT OPPOSITE IT, OPPOSITE THE VERY HEART OF THE STATE, WITH ARAFAT AND HIS KATYUSHA ROCKETS, AND HIS GUNS, AND THE ENTIRE TERRORIST DEPLOYMENT FROM LEBANON. ON THIS WE WILL INSIST, AND WILL BROOK NO ARGUMENT AT ALL. I ALSO BELUEVE THAT WE WILL BE ABLE TO MAKE OUR POSITION CLEAR. THE THIRD THING WHICH I FEEL I SHOULD NOTE IS THIS: IT SEEMS TO ME THAT DESPITE ALL THE GOOD THINGS WHICH CAME ABOUT AS A RESULT OF THE MEETING BETWEEN THE U.S. PRESIDENT AND THE ARAB LEADERS, THE ARAB LEADERS HAVE LEFT THE MATTER OF PEACE IN A HAZE. THEY RESORTED TO SUBSTITUTES FOR PEACE, TO EVASIVE AND UNCLEAR FORMULATIONS - NORMALIZATION, CESSATION OF THE STATE OF WAR, "SULHA". WE WILL NOT GO ALONG WITH ANY VAGUE FORMULATION. IF PEACE, THEN PEACE. IF LESS, THEN LESS -- BUT FOR LESS THEY WILL RECEIVE LESS IN EXCHANGE. IT IS NOT AS IF WE WILL GIVE AS IF THERE WILL BE PEACE, AND THEY WILL GIVE US PKCE AS IT WERE. THERE IS NO SUCH ANIMAL. WE WILL INSIST CLEARLY AND FIRMLY ON THIS, AND I AM SAYING THIS BEFORE THE ELECTIONS, BECAUSE WE MUST RISE ABOVE ALL THE PRESENT HULLABALOO AND SEE THINGS AS THEY REALLY ARE. NATURALLY WE WILL TAKE GOOD CARE TO PRESERVE THE UNCLASSIFIED

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RELATIONSHIP OF TRUST AND RESPECT WITH THE UNITED STAES, BUT SUCH A RELATIONSHIP ALSO REQUIRES US TO MAKE OUR POSITION CLEAR.

6. THE FORUTH THING I MUST POINT OUT IS THAT TILL NOW, AS FAR AS I KNOW, NOT ONE ARAB LEADER HAS AGREED TO ANY TERRITORIAL COMPROMISE WHATSOEVER. ISRAEL WILL UNDER NO CIRCUMSTANCES WITHDRAW TO THE BORDERS OF 1967. ISRAEL WILL NOT PERMIT JERUSALEM TO BE TOUCHED. WE CONSIDER THE JORDAN OUR DEFENSIVE BORDER AND THERE HAS BEEN NO EROSION OF OUR POSITION. AS WE HAVE DEBATED THE ISSUES WITH FORMER ADMINISTRATIONS, WE SHALL, IF NECESSARY, DEBATE

THEM WITH THIS ADMINISTRATION -- WITH THE SAME MEASURE OF HONESTY AND OUTSPOKENNESS. THOSE ARE, IN FACT, THE ISSUES -- AND I HOPE AND TRUST I WILL FIND A COMMON LANGUAGE WITH PRESIDENT CARTER. THESE ARE NO NEW ISSUES, AND IT IS IMPORTANT TO CLARIFY THEM. I AM FURTHERMORE SURE THAT, GOING TO WASHINGTON, WE SHALL NOT BE CONFRONTED WITH ACCOMPLISHED FACTS. WE SHALL COME TO WASHINGTON FOR CLARIFICATIONS, AND I AM CONVINCED THAT NO U.S. POLICY HAS AS YET BEEN DEFINED, AND SURELY CANNOT HAVE BEEN DEFINED, EVEN REGARDING THE SUBJECT OF MEDIATION, WITHOUT PRIOR AND VERY LUCID CONTACT WITH US ON ALL SUBJECTS.

7. ONE FURTHER POINT: ISRAEL WILL INSIST ON DEFENSIBLE BORDERS. DEMILITARIZED ZONES AND EARLY WARNING STATIONS CAN BE ADDITIONAL MEASURES, BUT ON NO ACCOUNT A SUBSTITUTE FOR DEFENSIBLE BORDERS. WHICH MUST PROVIDE A DEFENSE FOR ISRAEL. WE ARE NOT PREPARED TO ACCEPT OUTSIDE GUARANTEES AS A SUBSTITUTE FOR OUR ABILITY TO DEFEND OURSELVES, OR AS AN ALTERNATIVE FOR BORDERS ALONG WHICH WE CAN DEFEND OUR LIVES.

8. I WANT TO MAKE THIS UNEQUIVOCALLY CLEAR ONCE MORE. I KNOW THAT IF WE ARE PLIABLE NOW, TOMORROW WE SHALL EARN THE APPLAUSE OF "LE MONDE" OR SOME OTHER  
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PAPER. BUT WE MUST ALSO THINK OF THE DAY AFTER TOMORROW -- AND NOT ONLY OF TOMORROW. TOMORROW WE SHALL BE COMMENDED BY THE PRESS, AND THE DAY AFTER TOMORROW WE SHALL BE ATTACKED BY SHOULDER-MISSILES. NO ISRAELI STATESMAN CAN LOOK AT HEADLINES WITHOUT LOOKING TO THE FUTURE.  
END TEXT.

DUNNIGAN UNQUOTE CHRISTOPHER

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## Message Attributes

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